

CCS HS HCS SS#2 SCS SB 248, 100, 118, 233, 247, 341 & 420 --
RETIREMENT SYSTEMS AND BENEFITS

This bill revises provisions pertaining to various retirement systems, establishes a medical and retirement incentive plan for state employees, and creates a workers' memorial fund.

ST. LOUIS POLICE RETIREMENT SYSTEM

The bill makes technical corrections to the Deferred Retirement Option Plan (DROP) for the St. Louis City Police Retirement System.

The bill requires members of the St. Louis Police Department to receive six weeks of paid vacation each year if members have at least 30 years of service and are eligible to participate in the DROP.

KANSAS CITY POLICE RETIREMENT SYSTEM

Active members of the retirement board who are currently serving as a police officer or a civilian employee can receive up to 10 days of paid leave to attend meetings and seminars as approved by the board. An early retirement incentive program is established for police officers and civilian employees if the city covers full actuarial costs to the system. The bill provides a funeral benefit of \$1,000 for eligible civilian employees.

RETIREMENT SYSTEMS FOR HIGHWAYS AND TRANSPORTATION EMPLOYEES, THE
HIGHWAY PATROL, AND STATE EMPLOYEES

The bill makes the following changes to the Highways and Transportation Employees' and Highway Patrol Retirement System (HTEHPRS), Missouri State Employees' Retirement System (MOSERS) and the Missouri State Employees' Retirement System, Year 2000 Plan (MSEP 2000):

(1) The "80 and out" eligibility age is reduced from 50 years of age to 48 years of age for members of HTEHPRS, MOSERS, and MSEP 2000;

(2) Uniformed members of the State Highway Patrol who have served as a non-federal, full-time public employee in Missouri prior to becoming a member of HTEHPRS are allowed to purchase prior credited service not to exceed four years. This purchase is subject to certain conditions;

(3) Effective September 1, 2003, HTEHPRS members are prohibited from requesting or applying for disability benefits allowed under Subsection 1 of Section 104.110, RSMo. The Board of Trustees is

authorized to contract for the provision of disability benefits. HTEHPRS members can waive their right to receive any disability benefit;

(4) The purchase of prior credited service by members of MOSERS and the MSEP 2000 who have served in the military is revised to no longer require the filing of an affidavit;

(5) Former and current members of the General Assembly are allowed to elect simultaneous credited service in lieu of receiving creditable service as a member of the General Assembly if a former or current member becomes a state employee or state officer. This provision is effective August 28, 2003;

(6) Members of the Board of Trustees of MOSERS are required to file a financial disclosure form with the Missouri Ethics Commission;

(7) Members of certain retirement systems, including MOSERS and MSEP 2000, can purchase additional life insurance benefits, subject to certain conditions;

(8) Certain employees who are earning creditable service under the closed plan of MOSERS or the MSEP 2000 Plan administered under MOSERS and who were transferred to the Department of Transportation can elect to participate in the closed plan of HTEHPRS or the MSEP 2000 administered by HTEHPRS. The election must be made within 90 days of July 1, 2003; and

(9) Provisions pertaining to a division of marital benefits order for an annuity paid under MSEP 2000 and the designation of an agent for a beneficiary under MSEP 2000 who becomes disabled are corrected.

TEACHING PERSONNEL AND RETIREMENT BENEFITS

The bill requires the State Board of Education to develop rules to facilitate job-sharing positions for classroom teachers. The bill contains a definition for "job-sharing position" and entitles teachers in these positions to certain employment and retirement benefits.

ADMINISTRATIVE LAW JUDGES AND LEGAL ADVISORS RETIREMENT SYSTEM

The bill prohibits any revisions to this retirement system previously established by law.

STATE EMPLOYEES' MEDICAL AND RETIREMENT INCENTIVE PLAN

The bill contains provisions pertaining to medical insurance and

retirement incentives for state employees who are members of HTEHPRS, MOSERS, or MSEP 2000 and are eligible for medical coverage under the Missouri Consolidated Health Care Plan (MCHCP).

In its main provisions, the bill:

(1) Allows a retiree to elect to continue coverage for himself or herself and eligible dependents at the same cost as if the retiree was an active employee for a maximum period of five years or until the retiree is eligible for Medicare, whichever occurs first;

(2) Requires the costs for medical coverage for eligible retirees to revert to the applicable rate after the five-year period expires or when the retiree becomes eligible for Medicare;

(3) Requires the governing body of any participating member agency to elect to provide the medical coverage contained in the bill in order for employees or retirees to be eligible to apply the medical coverage to their current benefits;

(4) Allows the governing boards of Truman State University, Lincoln University, educational institutions listed in Section 174.020; the Highways and Transportation Commission; and the Conservation Commission to elect to provide their employees or retirees the same medical coverage as is contained in the bill. Certain conditions of this provision will apply to the Highways and Transportation Commission if the commission elects to participate in the plan;

(5) Allows current employees who are receiving creditable service and are eligible to receive a normal annuity under HTEHPRS or MOSERS, or a life and any temporary annuity under MSEP 2000, and whose annuity begins no later than September 1, 2003, to be eligible to receive the medical coverage contained in the bill;

(6) Allows current employees who are eligible to receive a normal annuity under HTEHPRS or MOSERS, or a life and any temporary annuity under MSEP 2000, who apply for retirement and whose annuity begins no later than September 1, 2003, to be eligible to receive the medical coverage contained in the bill;

(7) Allows employees who are eligible to receive lump-sum payments under Section 104.625 or Section 104.1024, by January 1, 2004, to elect to receive these payments. However, these employees are prohibited from receiving a lump sum payment under these sections after the effective date of the annuity established by this incentive plan, or September 1, 2003;

(8) Allows a retiree whose retirement annuity commenced on or after February 1, 2003, but no later than September 1, 2003, to be eligible to receive the medical coverage contained in the bill;

(9) Establishes a department rehiring cap of 25% for positions that are vacated due to the election to retire. Critical positions, seasonal positions, or positions that are federally funded may be exempt from this provision. In addition, this provision will not apply to Truman University, Lincoln University, and educational institutions listed in Section 174.020;

(10) Requires HTEHPRS and MOSERS to provide monthly tracking of the effects of the medical coverage provided to eligible retirees and the number of retirements resulting from the plan. In addition, the bill requires HTEHPRS and MOSERS to submit a written report to the Governor, the Commissioner of the Office of Administration, and the General Assembly by April 1, 2004. The report must examine required subject areas and the effects of the incentive provisions contained in the bill. The period the report must cover is February 1, 2003, to January 31, 2004;

(11) Requires the Office of Administration to provide monthly tracking of the budgetary effects of the retirement plan in addition to submitting a budgetary report concerning the effects of the incentive provisions contained in the bill by April 1, 2004. The subject areas the report must address are also contained in the bill; and

(12) Requires the Missouri Consolidated Health Care Plan to provide monthly tracking of the effects of state employee retirements and to submit a report to the Governor and the General Assembly by April 1, 2004. The report must examine required subject areas and certain effects of the incentive provisions contained in the bill.

The bill contains an emergency clause which applies to the retirement incentive plan.

WORKERS' MEMORIAL FUND

The bill allows individuals or corporations entitled to a state tax refund to designate that a portion of their refund be contributed to the Workers' Memorial Fund. If not entitled to a tax refund, individuals or corporations may make a contribution along with their payment or send the contribution in separately.

This provision is effective for each tax year, beginning January 1, 2003.